



**MEDIOBANCA**  
MANAGEMENT COMPANY SA

# **MEDIOBANCA MANAGEMENT COMPANY S.A.**

## **CODE OF CONDUCT & ETHICS**

July 2017



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## **Introduction**

Mediobanca Management Company S.A. (the Company) adopted a Code of Governance which has been in force since 16 December 2014.

This Code of Ethics, which forms an integral part of the Company's organisational model, replaces the aforesaid document (Code of Governance), since it aims to express the principles of "business ethics" which the Company and its Group recognise as their own and with which all staff members (Directors, Internal Statutory Auditors, Chief Executive and Operating Officers, Senior Managers and other Employees) and external Collaborators are expected to comply.

Adherence to this Code is of fundamental importance for the Company's efficient operation, trustworthiness and reputation, as well as in order to prevent the Company being affected by its Employees conducting themselves in a manner having criminal implications.

The intention of the Board of Directors of the Group's Companies has been to use this instrument to define the set of values that the Group Companies accept and endorse and the range of responsibilities that the Company assumes internally and externally to ensure that all its activities are carried out, in accordance with the law, with honesty, integrity and good faith, respecting the rights of third parties, Employees, shareholders, commercial and financial partners and, in general, any party involved in its operations.

All those who provide their services within the Company or on its behalf, without distinction or exception, must perform their duties and discharge their responsibilities in accordance with the principles and rules of this Code.

The conviction that one is acting in the Company's best interest cannot justify in any way conduct in contravention of these principles or the ethical rules set out below as well as the procedures regulating all company activities.

The Company's Employees are therefore also required - in addition to discharging their duties under the employment contract faithfully and correctly in good faith - to comply with, and ensure compliance with, the ethical rules, company procedures and regulations in general and adhere to the precepts of this Code of Conduct & Ethics, refraining from any action prejudicial thereto.



## 2 General provisions

### Article 1 – Area of application and Recipients

This Code of Conduct & Ethics (the Code) has been approved by the Company's Board of Directors and constitutes an official document.

The Code's principles and provisions illustrate in specific terms the general obligations of diligence, fairness and loyalty, which must characterise the performance of employment services and behaviour within the work environment.

This Code is binding for all members of the Corporate Bodies, Directors in particular, as well as all persons linked by employment relationships with the Company ("Employees") and all those working for the above Company, whatever the relationship, which may also be temporary, linking them thereto ("Collaborators").

The Directors, Employees and Collaborators are defined jointly as "Recipients".

The Recipients, in accordance with current legislation and regulations, are required to ensure that their actions and behaviour comply with the principles, objectives and commitments established by in this Code.

### Article 2 - Communication

The Code is brought to the attention of all Recipients by means of suitable communication media.

The Company makes the following provisions, which may also include designating persons to whom specific internal functions will be attributed by means of special instruments:

- ◆ for the Code to be disseminated;
- ◆ for the provisions contained in the Code to be interpreted and clarified;
- ◆ for checking effective compliance with the Code;
- ◆ for updating the Code's provisions in line with requirements arising from time to time.

The Company ensures that the Code is distributed to its Employees using the following channels:

- ◆ electronic transmission via e-mail of a copy of the Code to all the Company's Employees who will sign their acceptance at the time of first delivery;
- ◆ publication of the updated version of the Code on the Company or Group intranet, which is accessible by all the Company's Employees;



- ◆ filing a copy of the Code at the workplace which is accessible for all staff to consult freely;
- ◆ organisation of seminars.

On the other hand, as far as Collaborators are concerned, the Company:

- ◆ informs them about the commitments and obligations imposed by the Code, sending a copy of the Code proven by the signing of the letter of undertaking to comply with the requirements contained therein;
- ◆ requires Collaborators, whether they be physical or legal persons, to adhere to the rules of the Code;
- ◆ does not establish, or proceed with business relationships with anyone who expressly refuses to comply with the provisions of this Code;
- ◆ in the event of serious infringements, invokes contractual termination in respect of third parties who have not complied with the ethical rules when performing their activities.

In fact, the Company will acknowledge the following clause with external Collaborators, also in case, with the insertion of in the contracts:

*"The Collaborator acknowledges the contents of the Company's Code of Conduct and Ethics and undertakes to comply with them in full.*

*The Collaborator's violation of one or more provisions contained in the aforementioned Code of Conduct and Ethics will result, on the Company's initiative, in the immediate lawful termination of this contract to the Collaborator's detriment".*

Any doubts regarding the application of this Code must be promptly submitted and discussed with the Chairman of the Board of Directors.

The Company also distributes this Code to all interested parties, whether interested directly or indirectly, through publication on its own official website.

### **Article 3 - Responsibilities**

All Recipients perform their work and provide their services with diligence, efficiency and fairness, using the tools and time available to them in the optimum manner and assuming the responsibilities related to the obligations, in accordance with current legislation, as well as the internal procedures and duties established by the Company.



Recipients must ensure, also in accordance with current legislation, that their actions and conduct comply with the principles, objectives and provisions contained in the Code and must promptly report the following information to the Chairman of the Board of Directors:

- ◆ any information regarding the violation or possible violation of the provisions contained in the Code;
- ◆ any request submitted to them entailing a violation of the Code.

Those in charge of the Company's offices and departments are responsible for ensuring that their subordinates, colleagues and Collaborators understand the importance of adhering to the provisions contained in the Code and providing them with guidance as to the compliance and implementation required.

#### **Article 4 – Fairness and impartiality**

All actions and operations carried out and the conduct of all Recipients when performing their functions or duties are founded on principles of lawfulness both in formal and substantive terms, in accordance with current regulations and internal procedures, as well as on fairness, collaboration, loyalty and mutual respect.

Recipients are required not to use for personal ends information, assets and equipment at their disposal when performing their functions or duties.

Recipients are required to diligently comply with legislation in force in all Countries in which the Company operates, and with the Code and internal rules. Pursuance of the Company's interest may not in any circumstances justify conduct that is dishonest and contrary to current legislation and this Code.

Employees must refrain from carrying out activities in competition with those of the Company, must comply with company rules and adhere to the precepts of this Code.

In its dealings with the broad range of parties with which it operates, the Company avoids any discrimination based on the age, gender, state of health, nationality, political opinions and religious faith of its stakeholders.

#### **Article 5 – Conflict of interest**

The Company expects the most rigorous compliance with the conflict of interest regulations contained in the laws and regulations.

Therefore, if an actual or potential self-interest arises when performing the Company's or other Group Companies' activities, Recipients are required to promptly notify their immediate superior or reporting officer, and refrain, outside the circumstances provided for by the law and/or internal regulations, from



implementing any operations related to the situation reported .

When performing their activities and/or duties, Recipients must pursue the Company's objectives and general interests, in accordance with current regulations and this Code.

Recipients must inform their superiors or reporting officers without delay of situations or activities in which they (or their close relatives) could have a conflict of interest with the Company's interests and any other circumstance where there are relevant reasons for so doing, so that they can receive the appropriate assessments and instructions in such regard. Recipients must comply with the decisions taken by the Company on the matter and refrain, in any case, from carrying out any transactions involving a conflict of interest.

Recipients are prohibited from carrying out transactions in which they have an interest in conflict with that of the investor. If they consider, with regard to given assessments or documents relating to their own duties, that they do have a conflict of interest, Employees must notify their superiors, who will assess whether it is opportune to remove the Employee from the task, other Recipients must notify the Chairman of the Board of Directors or the Board itself.

An Employee may not serve as a director or non-executive director of a public or private company without the approval of the local Head of Office after consultation with the local Compliance Officer.

#### **Article 6 – Confidentiality**

Recipients must ensure the utmost confidentiality as regards information that is not in the public domain concerning company assets or the activity of the Company or other Group entity, in accordance with current legislation, regulations, this Code and internal procedures.

Recipients must conduct themselves so as to ensure utmost confidentiality even outside working hours, in order to safeguard the Company's know how, image and reputation.

The Company's databases may, amongst other things, contain personal data protected by privacy laws, data which may not be disclosed externally under contractual agreements, and data which could damage company interests if disclosed.

For this reason, the Company undertakes to protect information relating to its Employees, Directors, customers and all those operating on behalf of the Company, generated or acquired within the corporate organisation and/or in the management of business relations, and to prevent any improper use of such information.



**Article 7** – Use of the name

To be able to fully monitor the use of the name Mediobanca Management Company S.A., any employee's activities on behalf of Mediobanca Management Company S.A. such as the participation in an industry body or an external consulting group need to be pre-cleared with the local Compliance Officer and the local Head of Office.



### 3 Conduct within the organisation

#### **Article 8 – Business ethics**

The Company's business relationships are founded on principles of loyalty, fairness, transparency and efficiency.

Each operation and/or transaction, interpreted in the broadest sense of the word, must be lawful both in formal and substantive terms, be duly authorised, coherent, fair, documented, recorded and verifiable over a ten-year period.

Recipients who carry out any purchase of goods and/or services, also including external consultancy, on the Company's behalf, must act in accordance with the principles of fairness, cost-effectiveness, quality and honesty and operate with diligence.

Each Recipient must refrain from accepting or carrying out, on his/her own behalf or on behalf of others, inducements, recommendations or referrals that could be prejudicial to the Company or create an unfair advantage for him/herself, for the Company or for third parties.

Each Recipient must also reject and make no promises and/or undue donations of cash or other benefits in any form and way, including indirectly, unless these are of modest value, and attributable solely to standard commercial practices or acts of courtesy, or in any event, not related to requests of any kind, subject to compliance with existing Company procedures and current legislation.

If a Recipient receives an offer or request for benefits from a third party, apart from the exceptions indicated above, he/she is required to inform his/her immediate superior immediately for instructions on how to proceed.

#### **Article 9 – Corporate bodies and Top Management**

The Company's Corporate Bodies and Top Management, by virtue of the fiduciary relationship linking them to the Company, have primary responsibility for the concrete application of the values contained in this Code, basing their own work on principles of honesty, propriety, integrity and accepting responsibility for internal and external matters.

In particular, the Board of Directors also sets its business objectives on the basis of the ethical principles indicated in this document to protect the interests of Shareholders, Customers and the community, and to safeguard the Group's reputation and the principles of lawfulness in both formal and substantive terms.

In addition, each director is required to inform the Chairman of the Board of Directors, of any interest, that he/she may have, on his/her own behalf or on behalf of third parties, in a given Company transaction on which he/she is asked to decide. Such notification shall be precise and prompt and shall specify the nature, terms, origin and importance of the interest; the Board of



Directors will then assess whether a conflict exists with the Company's interests.

In the event of a conflict of interest of the Chief Executive Officer, the latter is required to abstain from the transaction on which he/she is required to decide, by virtue of his/her powers, referring any assessment and decision on the matter to the Board of Directors.

#### **Article 10 – Human Resources**

The Company recognises that human resources are a factor of fundamental importance for the Company's existence, development and success.

Human resource management is founded on respect for the person and professionalism of each member of staff within the current general regulatory framework.

It is the Company's responsibility to promote and develop the working aptitudes and skills of each Employee and stimulate their capabilities and potential, also in accordance with legal requirements.

The Company is aware that the high level of professional expertise achieved by its Employees and their dedication to the company are essential and crucial factors for the pursuance and achievement of company objectives.

#### **Article 11 – Personnel selection and recruitment**

The selection of personnel to be recruited is carried out by matching the candidates' profiles and specific skills to expectations and Company requirements, as indicated in the request made by the function concerned and always in accordance with equal opportunities for all those involved.

The information requested is closely linked to verifying the aspects specified in the professional and psychometric/aptitude profile, whilst respecting the candidate's private life and opinions.

Those working in the Human Resources function and officers in other Areas involved from time to time in personnel selection undertake, within the limits of the information available, to avoid favouritism, nepotism or forms of patronage during the selection and recruitment phases.

Before entering into the employment contract, the Company informs the selected candidate, in a detailed and comprehensible manner, of :

- ◆ the proposed function and duties assigned;
- ◆ main regulatory (including the disciplinary aspects) and salary aspects.



All employment relationships are regulated contractually in accordance with current legislation.

**Article 12 – Staff appraisal**

The Company undertakes to ensure that the annual staff targets set, both general and individual nature, are such as not to induce staff to act unlawfully and are, by contrast, focused on a possible, specific, concrete and measurable result in relation to the time estimated for them to be achieved.

The Company offers equal opportunities for professional development to all Employees, ensuring fair treatment, based on the specific professional qualifications and capabilities, without any discrimination and also ensuring working conditions that respect each one's individual dignity and personal convictions and opinions.

**Article 13 – Staff duties**

Each Employee is required to know the Code, comply with its requirements, actively contribute to its implementation and report any deficiencies therein.

The Company's Employees are also required to know and apply the rules that govern the Company's specific activity and to comply with current legislation and regulations.

In particular the Company's staff undertake:

- ◆ to carry out their work in accordance with principles of professionalism, transparency, fairness and honesty;
- ◆ not to exploit for personal gain the position occupied in the Company and, similarly, not to use the Company's name and reputation unduly;
- ◆ to prevent the creation of situations having a conflict of interest with the Company or other Group companies;
- ◆ to know and comply with company procedures;
- ◆ to know and implement the provisions of Company policies in terms of security, confidentiality and dissemination of information concerning the Company;
- ◆ to act diligently to safeguard the Company assets, taking care, when performing their duties, to ensure that the assets entrusted to them are handled and used with the maximum attention and confidentiality, preventing their improper or fraudulent use also by third parties;
- ◆ with reference to IT applications, to use the hardware and software resources made available to them solely for purposes related to the performance of their duties and in accordance with the Company regulations issued on the matter; in



particular each Employee is required:

- ◆ to refrain from the unlawful duplication of the programs installed on the computers ;
- ◆ to observe the Company's procedures and policies relating to the management of credentials and password for access to information systems;
- ◆ to refrain from downloading software without Management's prior authorisation;
- ◆ not to navigate on websites featuring indecorous and offensive contents;
- ◆ to refrain from sending or saving, through the e-mail box allocated as a working tool by the Company, messages of an offensive or sexual nature.

#### Article 14 – Relations with investors

The Company's relations with customers are founded on general values of fairness, honesty, efficiency and professionalism.

Communications sent to investors, including those of a contractual nature (such as, for example, information pertaining to any contractual amendments, changes in the economic conditions and/or characteristics of the products placed), are couched in terms of utmost simplicity, clarity and timeliness, complete with all the necessary information for customers to make a decision and compliant with the regulations in force.

Whilst complying with the reporting obligations provided for under current regulations, the Company and Group companies keep available for customer adequate illustrative documentation relating to the services offered.

The Company implements projects and initiatives designed to reinforce the quality of the service delivered to customers and to improve relations with them, also adopting, where possible, computerised procedures.

The personnel appointed illustrates to investors the nature and risks of the transactions and services specifically requested ensuring that such information:

- ◆ is presented clearly;
- ◆ contains forecasts scrutinised in accordance with Company procedures and the content and presentation of which are not such as to mislead customers;
- ◆ does not include data about the previous performance of the quotations or price of a financial instrument or the previous result of a service unless:



- 1) the source of the data is clearly indicated;
- 2) data are reproduced or in any event presented correctly and in full;
- 3) customer is made aware of the fact that the indications or data are not necessarily a useful indicator of future investment prospects.

The Company does not have direct or indirect dealings with parties who are known or suspected to belong to criminal organisations or who, in any event, operate outside the law.

Regarding client investments in securities owned by Mediobanca Management Company S.A. Employees, it is prohibited from :

- ◆ employing any device, scheme or artifice to defraud any prospect or client;
- ◆ making any untrue statement of a material fact or omitting to state to a client or a prospective client, a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- ◆ engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any prospect or client;
- ◆ engaging in any manipulative practice with respect to any prospect or client; or
- ◆ revealing to any other person (except in the normal course of his or her duties on behalf of a client) any information regarding securities transactions by any client or the consideration of any client or Mediobanca Management Company S.A. of any securities transactions.

**Article 15 – Unsuitable transactions**

Subject to compliance with the requirements of national and community regulations, if the investor does not provide the information requested by the intermediary, the personnel responsible assesses the investor's credentials based on:

- ◆ assets contributed for the provision of the service; and/or
- ◆ the customer's available funds held with the intermediary; and/or
- ◆ how any previous dealings have evolved.



**Article 16** – Investors’ attorneys and appointees

The Company and Group companies are prohibited from entering into contractual relationships, establishing relationships, executing instructions or carrying out transactions with investors who intend for this purpose to use the services of attorneys or appointees if these are Directors, Internal Statutory Auditors, Employees and Collaborators or financial promoters of the aforesaid intermediaries.

Directors, Internal Statutory Auditors, Employees and Collaborators of the Company and Group companies are prohibited from accepting the aforesaid powers of attorney and appointments.

This ban does not apply if the investor is the spouse or co-habitee, relation or relative up to the fourth degree of the attorney or appointee, and, in any event, when the appointments made are allowed by the law or applicable regulations.

**Article 17** – Relationships with suppliers

The purchasing process for goods and services is based on principles of fairness, transparency, propriety and impartiality toward potential suppliers.

The selection of suppliers and determination of the purchasing conditions is based on objective and documentable criteria that take account of the price, their technical, economic and financial trustworthiness, as well as their honesty and integrity.

**Article 18** – Award of professional appointments

The criteria adopted by the Company when making professional appointments are based on principles of competence, cost-effectiveness, transparency and propriety.

All compensation and/or sums paid to persons appointed in any capacity to professional positions shall be suitably documented and be proportionate to the work performed, taking account of market conditions.

**Article 19** – Relationships with Institutions

The relationships of the Company and its Group with national, community and international institutions (“Institutions”) shall be based on strict compliance with the legal and regulatory provisions applicable.

The relationships of the Company and the Recipients with Institutions, as well as with public officials or those appointed to public office, or bodies, representatives, agents, officers, members, Employees, consultants, officers appointed to public functions or services, public institutions, public administrations, public bodies, including economic bodies, public authorities or companies of a local, national or international nature (“Public Officials”) are reserved solely to the company functions specifically responsible and to authorised personnel, or, if applicable, to each Collaborator, and are to be performed in a transparent, rigorous and coherent manner, in accordance with current legislation and based on the general principles of propriety and fairness,



avoiding, in particular, conduct designed to have an undue and improper influence on the Institutions' activities and decisions.

More specifically, illicit payments are prohibited in dealings with the Institutions or Public Officials. All the Company's Employees, at any level and wherever they are operating or located, are required to refrain from making payments of any amount in order to obtain illicit benefits when representing the Company's interests with the Public Administration.

The Company expressly forbids corrupt practices, favouritism, collusive conduct, direct and/or indirect solicitations also through promises of personal advantage (cash, gifts, consultancies, professional appointments) to any person belonging to the Public Administration or to their relatives.

The following conduct, in particular, is not allowed and is expressly forbidden:

- ◆ making or offering, directly or indirectly, payments and material benefits of any amount to public officials or persons appointed to public service in order to influence or compensate an act of their office and/or contrary to their official duties, even if relating to judicial or extrajudicial litigation;
- ◆ examining or proposing employment and/or commercial opportunities that could advantage Employees of the Institutions or Public Officials, in a personal capacity;
- ◆ offering, promising, or in any way supplying free gifts, favours, gifts or other acts of generosity that are not based on the most open transparency, propriety and fairness and that could constitute forms of payment to officers or Employees of the Public Administration, as well as accepting or encouraging for oneself or for others any offer of a benefit or gain;
- ◆ receiving and then granting, requests for money, favours, benefits from entities, physical or legal persons who wish to enter into business relations with the Company, as well as from any person belonging to the Public Administration.

Acts of courtesy, such as free gifts, contributions to agency expenses, are designed solely to promote the Company's image and are allowed only when they are of modest value and in any event are such that they cannot compromise the integrity or reputation of one of the parties and cannot be interpreted by an impartial observer, as exceeding normal commercial practice or standards of courtesy, or as designed to obtain favourable treatment in the performance of any business and/or activity that can be related to the Company and its Group.

In the event of an explicit or implicit request, by an officer or Employee of the Institutions, for any of the aforementioned benefits, the Recipients shall immediately suspend all dealings and



inform his/her superior/reporting officer if they are Employees or Collaborators, the Chairman of the Board of Directors if they are Directors.

The Company also prohibits, in relationships between private individuals, corrupt practices, favouritism, collusive conduct, direct and/or indirect solicitations also through promises of personal advantage.

This rule also applies to third party consultants, representatives, intermediaries and agents, who, by virtue of the functions covered, represent the Company either in relations with the Institutions and/or Public Officials, or in the private sector.

In this regard the Company prohibits the following persons from being appointed as its representatives:

- ◆ those who are known to be guilty of corruption;
- ◆ those who have been accused of unlawful conduct in business affairs;
- ◆ those who have conflicts of interest or have family or other kind of relationships, of which one is aware, that can unlawfully influence the decisions of any person belonging to the Public Administration.

In order to prevent or in any event drastically reduce the risk relating to the aforesaid conduct, each Employee, by virtue of his/her powers or functions, must promptly report to his/her superior any doubts regarding possible violations of the Code by external Collaborators as well.

The Company condemns any conduct designed to obtain, from the State, European Community, or other public body, any type of grant, finance, preferential loan or other disbursement of the same type, by means of altered or falsified declarations and/or documents, or through the omission of information due or, more generically, through means of artifice or deception, including those carried out using computer or telecommunication equipment, designed to mislead the disbursing organisation.

The Company guarantees compliance with the condition regarding ring-fencing of grants, subsidies or finance aimed at supporting any initiative, obtained from the State or other public body or from the European Community even of a modest value and/or amount.

The Company also condemns any conduct involving the alteration of a computer or telecommunication system or unentitled access to data, information or programs contained therein, with the aim of procuring an unfair gain for the Company to the detriment of the State.



**Article 20 –  
Relationships with  
Control Authorities**

The Company's relationships with the Control Authorities and Judicial Authority are based on the same principles set out in Article 17.

Any conduct and/or action regarding the Company's relations with the aforesaid Authorities must be founded on principles of propriety, transparency, integrity and timeliness. In particular the Recipients of this Code are required to act as follows in respect of the Authorities:

- ◆ provide the maximum cooperation;
- ◆ avoid obstructionist behaviour;
- ◆ not conceal information;
- ◆ not provide documentation that is false or certifies things that are untrue;
- ◆ not impede or obstruct controls and inspections in any way.

When discharging the regular communication and reporting obligations, individual or relating to the Group, the Company ensures the completeness and integrity of the information, the objectivity of the evaluations and the timeliness of the compliance measures taken.

**Article 21 – Audit and  
transparency of  
accounts**

When preparing the financial statements and any type of mandatory administrative-accounting communication, the Company complies with the laws and regulations applicable.

Recipients undertake, in accordance with their respective functions and duties, to ensure that the facts relating to Company and Group operations and the transactions put in place in the course of their activities are represented in a correct and timely manner in the Company's accounting records in order to provide a true and accurate view of the Company's and the Group's economic situation and financial performance.

It is confirmed that all the actions and transactions carried out by the Company are founded on the following principles:

- ◆ maximum management propriety;
- ◆ completeness and transparency of information;
- ◆ lawfulness in formal and substantive terms;
- ◆ clarity and accuracy of accounting checks in accordance with current legislation and internal procedures.

Every accounting transaction must be supported by suitable



documentation certifying the activity carried out so as to allow:

- ◆ easy accounting entry;
- ◆ identification of the origin and/or formation of the documents;
- ◆ the accounting reconstruction of the transactions.

The supporting documentation must be readily available and archived according to appropriate criteria so that it can be easily consulted by the internal and external audit personnel responsible.

Each Employee involved in preparing the Company's financial statements, also for purposes of the consolidated financial statements and notes to the accounts, is responsible for ensuring that the accounting documentation complies with the aforesaid principles and can be easily traced as well as organised in accordance with logical criteria.

In addition, in order to safeguard the confidence of the party receiving the information in the accuracy of the information contained in the financial statements and corporate reporting, the items translated in the financial statements and supplementary notes requiring estimates are formed in full accordance with accounting standards by the persons involved (including consultants-third parties) in their formation process.

The Company requires that all the items (for example receivables, inventories, shareholdings, provisions for risks and charges) are recognised in the financial statements in absolute accordance with all the current rules regarding financial statement preparation and valuation.

The Company's ethics have also been founded on promoting consistently with its Employees the need to comply with the principles of transparency, propriety and accuracy in the reports and other corporate communications prescribed by law.

For this reason, anyone involved in preparing these documents is required to produce only material facts and events corresponding to the true situation and must not in any way fail to disclose and/or alter information on the Company's economic situation or financial performance, the true and transparent disclosure of which is required by the law.

Recipients are required, as part of their respective functions and duties, to check that the accounting records are true and correct and report to the responsible officer any errors, omissions and/or falsifications of which they have become aware.

**Article 22** – Relations with the Company's Control Bodies

The Company requires all personnel to conduct themselves in accordance with the principles of integrity, timeliness, propriety and transparency in relation to any request made by parties to whom the law attributes control and audit powers (shareholders,



audit firm, internal committees, control functions and other corporate bodies) when exercising their respective institutional functions.

In particular, Recipients are required to act as follows in respect of the Company's Control Bodies:

- ◆ provide the maximum cooperation;
- ◆ avoid obstructionist behaviour;
- ◆ not conceal information;
- ◆ not provide documentation that is false or certifies things that are untrue;
- ◆ not impede or obstruct control and inspection activities in any way.

**Article 23 – Influence over the shareholders' meeting**

The Company's ethical code, with which all its Employees are required to comply in full, also protects the right to information on the integrity of its assets. For this reason it requires the shareholders' meeting to be convened under the terms and conditions laid down by the law. The regularly convened and properly conducted shareholders' meeting is the meeting intended to express the corporate will regarding the items indicated on the agenda. It is the Company's policy to ensure that the meeting expresses its will in full accordance with the law and regulations.

The Company condemns any pretence or fraudulent act designed to influence the will of those attending the shareholders' meeting so as to obtain an improperly formed majority and/or a resolution different from that which would otherwise have been adopted.

**Article 24 – Safeguarding the rights of Company creditors**

The Company expressly forbids its Employees from carrying out any transaction prejudicial to creditors.

In fact, the Company pursues, as an ethical principle, the interest of company creditors not to see the guarantees securing the amount due to them reduced. It is for this reason that the Directors are prohibited from making reductions to the share capital or carrying out mergers with other companies, or from executing demergers in order to cause detriment to the creditors.

The Company demands that no Employee or third party, acting as liquidator, causes prejudice to the company creditors, including through the improper allocation of the company assets.

**Article 25 – Protection of privacy**

The Company is responsible for the application and constant updating of specific procedures designed to protect information.



In full accordance with the applicable laws, the Company protects the personal data acquired, held and processed in the course of its operations.

**Article 26** – Use of banknotes, credit cards, stamps

The Company is sensitive to the need to ensure propriety and transparency in the conduct of its affairs and so operates in full accordance with current legislation on the matter of fabrication, handling and spending of cash, stamps, securities of any kind and watermarked paper. For this reason it severely punishes any conduct by its Employees involving the unlawful use, as well as the falsification, of credit cards, revenue stamps, cash and banknotes.

**Article 27** – Money laundering, terrorism and subversion of the democratic order, crimes against the person

The Company requires all its Employees to fully comply with legislation, as well as with provisions issued by the respective Authorities, against money laundering, terrorism and subversion of the democratic order, and crimes against the person, undertaking, for that purpose, to refuse to implement transactions that are suspicious in terms of correctness and transparency and paying particular attention to current reporting obligations on the matter designed to prevent and counter such criminal actions at international level as well.

The Company prohibits the use of its resources to finance and carry out any activity designed to achieve terrorist objectives or the subversion of the democratic order.

For this reason the Company verifies, before establishing business relationships, all the information available on commercial counterparts, suppliers, partners and consultants so as to ascertain the respectability and legitimacy of the activity performed by them.

Moreover, all Company Employees, wherever they may be operating or located, are expressly forbidden from getting involved in any practice or transaction that could, even potentially, include or favour the commission of the unlawful conduct indicated above, by having direct or indirect dealings with parties linked to criminal organisations.

In the event of doubt or if a situation appears to be ambiguous all Employees are asked to contact their reporting officer or the Officer responsible for the Company's legal affairs.

In order to make sure that every Employee is fully aware of the current rules and guidelines as well as changes in the local regulatory environment, he has to participate in Compliance and Anti Money Laundering training at least once a year. Several of these training events will be provided in the local offices by the Compliance Officer and the AML Officer.



**Article 28 –**  
Prevention of market  
abuse

Recipients of this Code are required to comply scrupulously with legislation and company rules regarding market abuse and manipulation in general.

More specifically, as far as financial instrument transactions are concerned, the Company requires Recipients to refrain from using confidential information received from investors or of which they have, in any event, become aware during the course of their activity, to perform personal transactions, including those via personal intermediary.

Recipients are forbidden in particular from:

- ◆ performing on their own account financial instrument transactions directly with customers, including those via personal intermediary;
- ◆ performing transactions in derivative financial instruments not traded on regulated markets, except for those allowed by the Company after notification of the interested party;
- ◆ performing short transactions;
- ◆ performing transactions in financial instruments associated with the restricted list.

Employees must comply with the requirements of this Code also in the case of transactions performed in a personal capacity with intermediaries other than the Company or Group companies.

All accounting transactions relating to investment services that also feature allocations on accounts of which the Employee is the holder, joint holder or nominee shall be carried out by another Employee or in accordance with the procedures established by the Company and Group companies.

**Article 29 – Health**  
and safety

The Company guarantees the best health and safety conditions in the workplace by implementing the preventive action required to preserve the health, safety and security of all personnel, as well as of third parties who frequent their premises, continually updating the methodologies and systems and carrying out a detailed assessment of the risks of the criticalities of the processes and resources to be protected.

The Company undertakes to promote and disseminate responsible conduct amongst its Employees, through systematic training schemes and arrangements for reporting risks related to the performance of the activities, measures and prevention and protection actions adopted.

All Employees undertake to comply with the prevention and protection regulations and obligations laid down by the law, internal regulations and instructions issued by Company Officers



involved in managing workplace health and safety risks and by the respective Authorities. In particular, Employees undertake to a correct use of work equipment, not to perform operations on its own initiative or practice that does not concern their activity and to participate in training programs organized by the Company on safety and health of workers in places work.

**Article 30 –  
Environmental  
sustainability**

The Company promotes a company policy highly sensitive to environmental issues, by implementing the following actions:

- ◆ constant technological updating of installations to ensure a reduction in pollution factors;
- ◆ management of purchases and disposals aiming, where possible, to reuse and/or recover raw materials, in accordance with cost-effective principles;
- ◆ compliance with anti-pollution regulations and use of environmentally friendly materials in construction and refurbishment work.

**Article 31 – Internal  
and external controls**

The Company promotes with its Employees the dissemination at all levels of a culture informed about the existence of internal and external controls and in which Employees are aware of the contribution that such controls make to improving Company efficiency.

To this end, the Company prepares special procedures, designed to foster and/or achieve such controls, so that Employees always conduct themselves, in their dealings with all the bodies set up for that purpose, in a manner in line with the principles of honesty, accuracy and completeness when exchanging information and in rigorous compliance with laws and regulations.

Once these procedures are established, they will be disseminated and brought to the attention of all the Company's Employees and Top Management with appropriate communication media (intranet, company notice board, etc.)

Internal controls are understood to be all arrangements put in place by the Company to guide, manage and verify its activities with the aim of:

- ◆ ensuring compliance with company strategies;
- ◆ promoting compliance with laws, regulations and internal procedures;
- ◆ achieving effective and efficient management of the company processes;
- ◆ providing accurate and complete accounting and financial data;



- ◆ exchanging accurate and true information.

Responsibility for developing an effective control system is in any event delegated to the Board of Directors, which is responsible for the correct operation of the internal control system.

For this reason, all levels of the organisational structure must provide the Board with the due cooperation.

External controls are understood to be: controls legally attributed to the shareholders or other corporate bodies or audit firms, as well as to all the Public Authorities; in this case the Company requires the Directors, chief operating officers, internal Statutory Auditors and liquidators to conduct themselves, when communicating with the aforesaid public and control authorities, in a correct and transparent manner, providing full, truthful and timely information, and avoiding confusing generalisations.

The Directors, in particular, must not in any way impede or obstruct the control and audit activities legally attributed to the shareholders, other corporate Bodies or audit firm.

By way of illustration, a list is given of a number of specific requirements aimed at all Group Directors:

- ◆ all Directors are required to conduct themselves, including via their collaborators, in a transparent manner in relation to the requests of the Board of internal Statutory Auditors, individual shareholders and audit firms;
- ◆ all Directors are required to avoid conduct that, by omission or commission, is designed to impede control by the Board of internal Statutory Auditors, shareholders or audit firm, even if this is merely by deflecting attention.

During checks and inspections by the respective Public Authorities, corporate bodies and their members, Employees of the Company, Consultants, Collaborators and third parties acting on the Company's behalf must maintain a cooperative attitude towards the inspection and control bodies.



## 4 Control bodies and mechanisms

### Article 32 – The Control Body

If requested by the applicable national laws, the Company establishes in its organisation a Control Body. It is an internal body of the Company, delegated to control and update the organisational and management model of this Code. If the applicable national laws do not require the establishment into the Company's organisation of a Control Body, its tasks and responsibilities are in charge of the Board of Directors.

The Control Body operates in accordance with suitable professional standards ensuring that :

- ◆ those who are attributed internal control functions have the right experience and professional expertise;
- ◆ the internal control functions operate with resources and tools adequate for the volume and complexity of the activity to be subject to the control;
- ◆ the control activities are properly planned, directed toward the areas of greatest corporate risk and performed with the maximum care and diligence;
- ◆ the control activities are properly documented to support the results of the checks and recommendations made;
- ◆ those responsible for the corporate functions are made aware in a timely manner of any problems to be tackled regarding investment service regulations.

When performing its functions the Control Body will have free access to company data and information that is useful for performing its activities.

The Control Body is required to:

- ◆ propose to the Board of Directors changes and/or additions to the Code and internal procedures in order to develop and update them and make them in line with corporate changes and changes in the risk areas in the light of current legislation on the matter;
- ◆ make available all possible information and clarification regarding the interpretation and implementation of the rules contained in the Code;
- ◆ carry out regular surveys and checks on the application and implementation of the Code and regarding any report of a violation of the ethical rules and/or procedures regulating corporate activities;
- ◆ develop control and monitoring systems designed to reasonably prevent irregularities pursuant to AML regulation;
- ◆ prevent any person suffering reprisals due to having provided



	<p>information on possible violations of the Code and/or internal procedures;</p> <ul style="list-style-type: none"><li>◆ ensure that the Code is fully disseminated to Employees through the channels indicated in art. 2 of this document;</li><li>◆ perform advisory services to the respective functions and/or Bodies regarding the adoption of disciplinary measures arising from violation of the Code.</li></ul>
<b>Article 33 – Reporting obligations</b>	<p>Directors, Employees or external Collaborators who become aware of violations of the principles and provisions of this Code and/or the Company's operating or other events likely to alter their efficacy, are required to report these promptly to the Chairman of the Board of Directors, their superior or reporting officer and, if applicable, to the Control Body.</p> <p>The aforesaid violation reports must contain sufficient information to identify the terms of the violation and allow an appropriate investigation to be carried out.</p> <p>These reports must be examined without delay and handled in a manner that ensures that the reporting person remains anonymous.</p> <p>Sanctions are envisaged if the reporting obligations indicated in this article are not observed.</p>
<b>Article 34 – Controls and restrictions on activity</b>	<p>Should the Company and Group Companies come into the possession, when providing business finance advisory services, of confidential information about listed financial instrument issuers, they establish watch lists on the transactions carried out while performing the investment services. In special circumstances these watch lists may become restricted lists on the activity performed.</p>
<b>Article 35 – Ancillary services</b>	<p>The Company and group Companies define organisational systems and draw up procedures:</p> <ul style="list-style-type: none"><li>◆ designed to prevent – internally and within the parent group – the exchange of confidential information between the area providing business finance advisory services and the areas responsible for investment and ancillary services;</li><li>◆ designed to ensure that the external analysis and research services provided are neutral as regards investment service provision.</li></ul>
<b>Article 36 – Sanctions</b>	<p>Compliance with the Code rules is to be considered an essential part of Employees' contractual obligations.</p> <p>Violation of the rules of the Code may constitute a breach of the primary obligations of the employment relationship or a disciplinary offence, with every consequence under the applicable law and the contractual contract, also regarding continuation of the employment relationship, and may involve compensation for damages arising therefrom.</p> <p>Violation of a rule and/or a procedure may also constitute a</p>



criminal offence.

In fact, violating an internal rule means breaking the law and incurring penal sanctions (fines or detention penalties) or civil sanctions (compensation for damages or financial penalties) which may affect the Employee and the Company. Therefore, any Employee who violates the spirit or letter of the ethical rules and/or disciplinary procedures regulating the company's activity is subject to a disciplinary appraisal carried out by the employer, based on the following principles:

- ◆ principle of the specificity of the violation and sanctions: the disciplinary action taken is provided for under the applicable collective contract and/or Civil Code;
- ◆ principle of the autonomy and immediacy of the sanction: given that the violation of the Code and the internal procedures is independent of a legal violation involving the commission of a crime, the disciplinary appraisal of the conduct carried out by the employer must not coincide with the judge's assessment in a legal venue, and so the employer may take disciplinary proceedings, such as for example a verbal reprimand, written warning, suspension and dismissal, without waiting for the end of criminal proceedings, against the Employee, and also irrespective of the opening of a criminal trial.

#### **Article 37 – Disciplinary measures**

The failure of Employees to comply with the provisions of this Code will be punished according to the principles indicated in the internal disciplinary system, more precisely according to the seriousness and/or recidivist nature and/or degree of fault without regard to the order in which the disciplinary measures are listed below, without prejudice to the additional right to claim compensation if such violations give rise to concrete damage to the Company.

Non-compliant conduct must be illustrated to the Employee so that he/she has the opportunity to justify his/her actions.

The disciplinary measures for breaches of the rules of this Code or any internal company rule or other instructions issued from time to time by Management, in accordance with the principles rigorously set out in internal disciplinary system, will be as follows:

- ◆ verbal reprimand;
- ◆ written warning;
- ◆ suspension from the job and remuneration under the terms of the applicable Collective Contract;
- ◆ dismissal pursuant to the applicable Collective contract for the category.

Should the violations of the provisions of the Code be committed by one or more members of the Board of Directors, the whole



Board of Directors is promptly informed for the appropriate decisions to be taken.

Violation of the Code rules may constitute, as far as the Directors are concerned, just cause for the Board of Directors to propose to the shareholders' meeting the removal from office with immediate effect, subject to the Company's right to compensation if such violations give rise to concrete damage in its regard.

The failure of Collaborators to comply with the Code will result in the immediate lawful termination of the contract in place, on the Company's initiative, subject to additional compensation if such violations cause concrete damage to the Company.



## 5 Final provisions

### **Article 38 – Binding nature of the Code**

No Employee, and much less so no member of Top Management, has the authority to approve waivers to the rules contained in this Code.

In no way may the conviction that one is acting to the Company's benefit justify the adoption of conduct contrary to any of the principles set out above since violation of this Code is the same as violation of criminal law and results in the application of criminal sanctions against the material perpetrator of the crime, which also exposes the Company to the risk of a criminal trial for the offence committed by the perpetrator of the violation.

For all the reasons set out above, the Company will punish violations of this Code and the internal procedures, which have caused the conduct described above, or which merely give rise to such conduct in abstract terms, with the application of disciplinary sanctions, under the terms and conditions of the disciplinary system.

All Employees and Senior Management are responsible for the correct and continuous application of the contents of this Code.

### **Article 39 – Amendments and additions**

This Code, which acknowledges Company practice, is approved by the Company's Board of Directors.

Any change and/or addition thereto will be approved by the Board of Directors, after consulting, where present, with the Control Body, and distributed to the Recipients in a timely manner, without prejudice to the Board's power to delegate wholly or in part the power to update and/or supplement the Code to the Chairman of the Board of Directors, to individual Directors or, for non-structural changes, to the Control Body on the Board of Director's resolution.

In any event, in the case of significant changes to the Code, the Board of Directors may state, at the time of delegation, that the change must in any case be approved by itself in order to be effective.

If applicable, the Board of Directors, or the Director delegated for the purpose, may make the appropriate changes to the Code only after consulting the Control Body beforehand and taking on board its comments.

### **Article 40 – Conflict with the Code**

If even just one of the provisions of this Code comes into conflict with the provisions of the internal rules or procedures, the Code will prevail over any such provisions.